



Testimony by Erika Steiner, Chief Financial Officer
Board of Regents for Higher Education
Before the Higher Education and Employment
Advancement Committee
February 26, 2015

Senators Bartolomeo and Witkos, Representatives Willis and Betts, and members of the Higher Education and Employment Advancement Committee, thank you for the opportunity to speak today on ***SB 166, An Act Prohibiting The Board Of Regents For Higher Education From Fund-Raising.***

For the record, my name Erika Steiner, and I am the Chief Financial Officer of the Connecticut State College and University (CSCU) system, comprised of 17 public institutions of higher education in this state.

The Board of Regents (BOR) opposes SB 166. Over the last six years, state support for higher education has declined from 33% of our operating budget to 26% of our operating budget. At the same time, contractually obligated increases in salary and fringe benefit rates have driven our costs higher than can be offset by student tuition, particularly in light of the declining high school student census.

This continual decline in high school graduates over the next several years is expected to affect student enrollment, which in turn affects the budgets at our institutions. Additionally, the reduction in total available state financial aid at our institutions in the last two years demonstrates an increased need for private support. At the community colleges the total available state aid has shrunk from \$9.4 million to \$4.2 million, causing enrollment challenges as thousands of aid eligible students go completely unserved.

In light of these challenges, we must examine every avenue to provide greater financial support to the student population and to the programs that serve our students. A foundation that serves the entire system is one option, and prematurely closing the door on that option reduces the flexibility of the system office to meet ever increasing financial, enrollment, and student challenges. Philanthropy is a critical component of the higher education equation.

The BOR decision to partner with a foundation would only occur after a series of goals for providing support for students and institutions are defined, and after examining very closely where individual institutional foundations garner support.

We have already engaged in preliminary conversations, and it is clear there is a potential opportunity for corporate-based philanthropy that is worth examining more closely. We have also identified that our institutions' donor base comprises primarily alumni and local businesses and services. In order to ensure that there is no cannibalization of their efforts, the BOR would restrict fund-raising to support from entities not currently under institutional development efforts. We believe we can work out a system that respects the work of the institutional foundations.

Foundation activities at the system level should be geared toward supporting system level goals. For example, when the new system-wide transfer and articulation programs are adopted, students that receive an associate's degree and are looking to transfer may be able to be incentivized to remain in the CSCU system through scholarship funds. It may also be possible to find organizations that want to support early college programs that provide a free associates degree in a high demand field in which that organization is interested. Another bill on this public hearing agenda, *HB 6121, An Act Establishing a Fund Providing Scholarships to Women Pursuing Degrees in the STEM Field*, supported by the House Republican leadership, envisions a fund established by the BOR to receive private contributions to support women in STEM fields. The worthy goals that can be supported through a system-wide foundation, which will take years to establish and seed, are numerous. Foundations are enrollment builders, retention increasers, and program supporters, and public higher education and students benefit from assistance in these areas.

The need to support individual student achievement and innovative programs to reduce student cost and boost student completion is ever increasing, and the ability to maintain an entity that can solicit private dollars to support higher education is critical in this challenging economic time. I encourage the committee to keep this option available to the CSCU system.

Thank you and I look forward to your questions.